



# Capital National Bank

No. **0-2771617**

1300 Main • P.O. Box 3347 • Houston, Texas • 77001  
(713) 651-1100

Date **OCT 3 1980**

Fee \$ **100.00**

September 24, 1980

ICC Washington, D. C.

12266

RECORDATION NO. .... Filed 1425

Secretary of the Interstate  
Commerce Commission  
Washington, D.C. 20423

12266

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. .... Filed 1425

Gentlemen:

OCT 3 1980 - 12 10 PM

*See Record # 14134*

INTERSTATE COMMERCE COMMISSION

In accordance with Section 20(c) of the Interstate Commerce Act, we enclose for filing with the Commission an original and two counterparts each of the following documents:

1. Security Agreement and Chattel Mortgage.

Debtor: Lamco, Inc.  
4801 Woodway Drive  
Suite 250 West  
Houston, Texas 77056

Secured Party: Capital National Bank  
1300 Main Street  
Houston, Texas 77002

Collateral: Forty-five (45) railroad tank cars described as follows:

23,500 gallon nominal capacity (DOT 111A100W3)

Car Marks  
LAMX 23580 through  
LAMX 23624, inclusive

2. Security Agreement - Accounts, Contract Rights and General Intangibles.

Debtor: Lamco, Inc.  
4801 Woodway  
Suite 250 West  
Houston, Texas 77056

Secured Party: Capital National Bank  
1300 Main Street  
Houston, Texas 77002

Collateral: All right, title and interest in and to accounts, contract rights, and general intangibles of Debtor, relating to the railroad cars described in No. 1 above.

FEE  
OCT 3 12 05 PM

Secretary of the Interstate  
Commerce Commission  
September 24, 1980  
Page Two

We also enclose our Cashier's Check in the amount of \$100.00 as fees for recordation of the aforesaid documents.

Please return the original of each document to Capital National Bank, 1300 Main Street, Houston, Texas 77002  
Attention: Ms. Dean Verner.

If you have any questions or comments, please call the undersigned collect at (713) 651-1100 or call Leighton E. Moss of Sewell & Riggs collect at (713) 652-8700.

Very truly yours,

CAPITAL NATIONAL BANK

By Dean D. Verner  
Dean Verner

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RECORDATION NO. .... Filed 1425

OCT 3 1980 - 12 10 PM

SECURITY AGREEMENT -- ACCOUNTS,  
CONTRACT RIGHTS AND GENERAL INTANGIBLES INTERSTATE COMMERCE COMMISSION

HOUSTON, TEXAS

LAMCO, INC., a Texas corporation with its offices at 4801 Woodway, Suite 250 West, Houston, Harris County, Texas 77056, hereinafter called "Debtor," and CAPITAL NATIONAL BANK, a national banking association with its principal offices at 1300 Main at Polk, Houston, Harris County, Texas 77002, hereinafter called "Secured Party," agree as follows:

Section I. Creation of Security Interest.

Debtor hereby grants to Secured Party a security interest in the Collateral described in Section II of this Security Agreement to secure performance and payment of all obligations and indebtedness of Debtor to Secured Party of whatever kind and whenever or however created or incurred.

Section II. Collateral.

The collateral ("Collateral") of this Security Agreement is all of the right, title and interest of Debtor in and to all accounts ("Accounts") and contract rights and general intangibles (collectively, "Contract Rights") of Debtor relating to railroad tank cars LAMX 23580 through LAMX 23624 and the use thereof, and any leases, service contracts, management agreements and contracts relating thereto including that certain Tank Car Lease and Service Contract made the 15th day of August, 1979, between Debtor and Mobil Oil Corporation.

Section III. Payment Obligations

(1) Debtor shall pay to Secured Party any sum or sums due or which may become due from Debtor to Secured Party in any manner or at any time, including, without limitation any sums due and owing pursuant to any promissory note or notes now or hereafter executed by Debtor to evidence indebtedness to Secured Party.

(2) All proceeds in the form of cash and negotiable instruments for the payment of money received by Debtor in payment of any of the assigned Accounts or Contract Rights will the occurrence of an Event of Default be held in

trust for Secured Party and promptly paid over to Secured Party for application upon the indebtedness of Debtor to Secured Party, the order and method of application to be in the sole discretion of Secured Party.

(3) Debtor shall pay to Secured Party on demand all expenses and expenditures, including reasonable attorneys' fees and other legal expenses incurred or paid by Secured Party in exercising or protecting its interests, rights and remedies under this Security Agreement, plus interest thereon at the maximum non-usurious rate of interest permitted by law with respect to Debtor.

(4) Debtor shall pay immediately, without notice, the entire unpaid indebtedness of Debtor to Secured Party, whether created or incurred pursuant to this Security Agreement or otherwise, upon Debtor's default under Section V of this Security Agreement.

#### Section IV. Debtor's Warranties, Representations and Agreements.

Debtor warrants, represents and agrees that:

(1) The Collateral will meet the following requirements continuously from the time each part of the Collateral comes into existence until it is collected in full:

(a) The Account or Contract Right is not subject to any prior or subsequent assignment, claim, lien or security interest other than that of Secured Party.

(b) The Account or Contract is not subject to any set off, counterclaim, defense, allowance or adjustment other than discounts for prompt payment shown on the invoice, or to dispute, objection or complaint.

(2) Debtor's only place of business is that appearing at the beginning of this agreement. Debtor will promptly notify Secured Party of any change of location of any place of business or of the addition of any new place of business.

(3) All information supplied and statements made by Debtor in any financial, credit or accounting statement or application for credit prior to, contemporaneously with or subsequent to the execution of this Security Agreement are and shall be true, correct, complete, valid and genuine.

(4) Except for the security interest granted in this Security Agreement, or as may otherwise exist in favor of Secured Party, there is no lien, security interest or encumbrance in or on the Collateral; and Debtor is the owner of the Collateral.

(5) The office where Debtor keeps its records concerning the Accounts and Contract Rights covered by this Security Agreement is the address set forth at the beginning of this Agreement.

(6) Debtor shall pay prior to delinquency all taxes, charges, liens and assessments against the Collateral, and upon Debtor's failure to do so, Secured Party at its option may pay any of them and shall be the sole judge of the legality or validity thereof and the amount necessary to discharge the same. Such payment shall become part of the indebtedness secured by this Security Agreement and shall be paid to Secured Party by Debtor immediately and without demand, with interest thereon at the maximum rate of interest permitted by law with respect to Debtor.

(7) Debtor shall notify Secured Party promptly in writing when any Account or Contract Right against which a loan was or may be made under this Security Agreement ceases to meet any of the requirements of this Security Agreement.

(8) Debtor shall at all times keep complete and accurate books and records reflecting all facts concerning each Account and Contract Right, including those pertaining to Debtor's warranties, representations and agreements under this Security Agreement, and make or allow Secured Party to make written designation on Debtor's books and records to reflect thereon the assignment to Secured Party of each Account or Contract Right covered by this Security Agreement.

(9) Upon demand of Secured Party, Debtor shall hold all proceeds received in payment of or on an Account or Contract Right, and shall hold all other Collateral of this Security Agreement, for or on behalf of Secured Party.

(10) Debtor shall not, voluntarily or involuntarily, subject the Collateral or its proceeds or allow the Collateral or its proceeds to be subjected to any interest of any transferee, buyer, secured party, encumbrancer or other third person, shall not modify the contract with the Account Debtor or diminish any security for an Account or Contract Right without giving Secured Party five days notice in advance in writing and without first receiving written consent from Secured Party.

(11) Debtor shall, at its expense, do, make, procure, execute, and deliver all acts, things, writings and assurances as Secured Party may at any time require to protect, assure or enforce its interests, rights and remedies created by, provided in or emanating from this Security Agreement.

(12) Debtor shall sign and execute alone or with Secured Party any Financing Statement or other document or procure any document, and pay all connected costs, necessary to protect the security interest under this Security Agreement against the rights or interests of third persons.

#### Section V. Events of Default.

Debtor shall be in default under this Security Agreement upon the happening of any of the following events or conditions (herein called an "Event of Default").

(1) Debtor's failure to pay when due any indebtedness of Debtor to Secured Party.

(2) Default by Debtor in the punctual performance of any of the obligations, covenants, terms or provisions contained or referred to in this Security Agreement.

(3) Any warranty, representation or statement contained in this Security Agreement or made or furnished to Secured Party by or on behalf of Debtor in connection with this Security Agreement or to induce Secured Party to make a loan to Debtor proves to have been false in any material respect when made or furnished.

(4) The making of any levy, seizure or attachment of or on any of the Collateral, except as permitted by the Loan Agreement.

(5) Any statement of the financial condition of Debtor or of any guarantor, surety or endorser of any liability of Debtor to Secured Party submitted to Secured Party or any such guarantor, surety or endorser proves to have been false in any material respect when made.

(6) Any guarantor, surety or endorser for Debtor defaults in any obligation or liability to Secured Party.

Section VI. Secured Party's Rights and Remedies.

A. Rights Exclusive of Default.

(1) This Security Agreement, Secured Party's rights hereunder or the indebtedness hereby secured may be assigned from time to time, and in any such case the Assignee shall be entitled to all of the rights, privileges and remedies granted in this Security Agreement to Secured Party, and Debtor will assert no claims or defenses he may have against Secured Party against the Assignee except those granted in this Security Agreement.

(2) Secured Party may call at Debtor's place or places of business during normal business hours without hindrance or delay, inspect, audit, check and make extracts from the books, records, journals, orders, receipts, correspondence and other data relating to the Collateral or to any transaction between Debtor and Secured Party, and Debtor shall assist Secured Party in making any such inspection.

(3) Secured Party may subrogate to all of Debtor's interests, rights and remedies in respect to any Account or Contract Right.

(4) Secured Party may make any demand upon or give any notice to Debtor by its deposit in the mails or with a telegraph company, addressed to Debtor at Debtor's address shown at the beginning of this Security Agreement, or to the change of such address of which Debtor has last notified Secured Party in writing.

(5) At its option, Secured Party may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, may pay for insurance on the Collateral and may pay for the maintenance and preservation of the Collateral. Debtor agrees to reimburse Secured Party on demand for any payment made, or any expense incurred by Secured Party pursuant to the foregoing authorization, plus interest thereon at the maximum rate of interest permitted by law with respect to Debtor.

(6) Secured Party may render and send to Debtor a statement of account showing loans made, all other charges, expenses and items chargeable to Debtor, payment made by Debtor against the loans, proceeds collected and applied to the loans, other appropriate debits and credits, and the total of Debtor's indebtedness on the loans as of the date of the statement of account, and the statement of account shall be considered correct in all respects and accepted by

and conclusively binding upon Debtor, except for specified objections which Debtor makes in writing within five days from the date upon which the statement of account is sent.

B. Remedies in the Event of Default.

(1) Upon the occurrence of an Event of Default, or if Secured Party believes that the prospect of payment of any indebtedness secured hereby or the performance of this Agreement is impaired, and at any time thereafter, Secured Party may declare all obligations secured hereby immediately due and payable and shall have the rights and remedies of a Secured Party under the Uniform Commercial Code of Texas, including without limitation thereto, the right to sell, lease or otherwise dispose of any or all of the Collateral and the right to take possession of the Collateral, and for that purpose Secured Party may enter upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will send Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or other disposition thereof is to be made. The requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, to Debtor at the address designated at the beginning of this Security Agreement at least five days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall include Secured Party's reasonable attorneys' fees and legal expenses, and Debtor agrees to pay such expenses, plus interest thereon at the maximum non-usurious rate of interest permitted by laws of the State of Texas with respect to Debtor. Debtor shall remain liable for any deficiency.

(2) Upon written notice to Debtor Secured Party may notify or require Debtor to notify Account Debtors obligated on any or all of Debtor's Accounts or Contract Rights to make payment directly to Secured Party, and may take possession of all proceeds of any Accounts or Contract Rights in Debtor's possession.

(3) Secured Party may take any steps which Secured Party deems necessary or advisable to collect any or all Accounts, Contract Rights, proceeds or other Collateral, or to sell, transfer, compromise, discharge or extend the whole or any part of the Accounts, Contract Rights, proceeds



or other Collateral, and apply the proceeds thereof to Debtor's indebtedness to Secured Party in accordance with this Agreement.

(4) After the occurrence of an Event of Default, Secured Party may receive, open and dispose of mail addressed to Debtor and execute, sign and endorse negotiable and other instruments for the payment of money, documents of title or other evidences of payment, shipment or storage for any form of Collateral or proceeds on behalf of and in the name of Debtor.

(5) Secured Party may remedy any default and may waive any default without waiving the default remedied or without waiving any other prior or subsequent default.

(6) The remedies of Secured Party hereunder are cumulative, and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any of the other remedies of Secured Party.

#### Section VII. Additional Agreements.

(1) "Secured Party" and "Debtor" as used in this instrument include the heirs, executors or administrators, successors, representatives, receivers, trustees and assigns of those parties.

(2) The section headings appearing in this instrument have been inserted for convenience only and shall be given no substantive meaning or significance whatever in construing the terms and provisions of this instrument. Terms used in this instrument which are defined in the Texas Uniform Commercial Code are used with the meanings as therein defined.

(3) The law governing this secured transaction shall be that of the State of Texas in force at the date of this instrument, and all obligations shall be performed in Houston, Harris County, Texas.

DATED: September 23, 1980.

SECURED PARTY:

Capital National Bank

BY

Dean D. Verner

DEBTOR:

Lamco, Inc.

BY

W. H. Webb

THE STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared CC Webb, Chairman of the Board of Lamco, Inc., known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the free act and deed of the said corporation, and that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 24th day of September, 1980.

Martha B. Gahler  
Notary Public In and For  
Harris County, Texas  
Comm. Expires 1-28-84

THE STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Dean H. Verner, Assistant Vice President of CAPITAL NATIONAL BANK, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the free act and deed of the said CAPITAL NATIONAL BANK, a national banking association, and that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such association, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 24th day of September, 1980.

Sherry K. Groen  
Notary Public In and For  
Harris County, Texas  
Comm expires 5/12/84